

MEMORIAL OF JOHN M. MOTT, OF CHICAGO, ILL.

APRIL 1, 1897.—Referred to the Committee on Finance and ordered to be printed.

Mr. TURPIE presented the following

MEMORIAL OF JOHN M. MOTT, OF CHICAGO, ILL., AND OTHERS,
PRAYING THAT THE MINTS OF THE UNITED STATES BE
OPENED TO THE FREE AND UNLIMITED COINAGE OF SILVER
AND GOLD ON INDIVIDUAL ACCOUNT.

*To the honorable the Senate and House of Representatives in Congress
assembled:*

This memorial is presented to your honorable body in behalf of citizens who desire that the mints of the United States shall be at once opened for the free and unlimited coinage, on individual account, of silver and gold into such standard coins of the United States as Congress shall authorize to be coined into full legal-tender money; of citizens who earnestly desire that the Government of the United States shall immediately retire from the banking business; of citizens who earnestly desire that the Government tax upon State-bank circulation shall be so reduced, as to permit the circulation of State-bank currency, subject to Government control and inspection; of citizens who earnestly desire that the evils which are the direct result of the existence of the national banking laws may speedily cease.

This memorial represents that the movement for the free and unlimited coinage of silver and gold on individual account has been constantly before the people since 1873, when the mints were closed against the citizens for the coinage of silver into standard dollars, since which time, almost without exception, there has been a continuous condition of unrest and disquietude among the people, and the experiments by legislation to restore to them that peace of mind, the happy contentment, and the prosperity that existed prior to 1873, failed of their purpose solely because such legislation was not to restore to the citizens of the several States a right which the framers of the Constitution never intended should be taken from them—the right to have their silver and gold coined into standard coin—silver and gold being the only articles of commerce, or in existence, that any State can make legal tender for payment of debts contracted within its borders.

The coinage legislation of 1878 was to raise the price of silver and to restore to the standard silver dollar its full legal-tender power, except where otherwise expressly stipulated in the contract. This act failed of its purpose to raise the commercial value of silver to its coinage value, because it stimulated production of silver, for which there was no market, the mints remaining closed against its coinage on individual account.

The coinage legislation of 1890 was to protect the monopoly enjoyed for many years by national bankers, by preventing the sending to the President for his approval a bill opening the mints to the free and unlimited coinage of silver on individual account. To accomplish this purpose, and also to secure votes in Congress to pass the most obnoxious tariff law this country has ever had, it made a market for 4,500,000 ounces of silver per month, at not to exceed \$1 per ounce, for which the Government issued coin certificates which were legal tender for payment of debts upon the same condition as applies to the standard silver dollars.

The monthly addition of \$4,500,000 of legal-tender currency to the amount of money in circulation gave to industries of all kinds an impetus that led many to believe that an era of unprecedented prosperity would bless our nation because of the enactment of laws to restrict commerce, impoverish labor, and to bankrupt the Government. But when it was discovered that under the interpretation of the law by two Secretaries of the Treasury, the late Mr. Windom and Mr. Foster, that the coin certificates were sight drafts on the Treasury for gold, and that the law also made the \$346,681,016 of Treasury notes, then and now outstanding, sight drafts on the Treasury for gold, the "endless chain" was started and the balloon prosperity of 1892 collapsed before it was fairly on its feet; and when the official reports of the Government for the year ending June 30, 1892, were made public and the fact was disclosed that the net amount of gold in the Treasury was but \$114,342,366, and that \$25,000,000 of bonds were then due and could not be paid without reducing the reserve far below the \$100,000,000 limit, the promised era of prosperity at once became an era of unprecedented adversity, followed at once by the closing of factories, reduction of wages, distrust, and disaster—conditions that existed prior to the presidential election of 1892, therefore can not justly be charged to the "Wilson tariff" nor to "President Cleveland's Administration." But when the above condition of the Treasury on June 30, 1892, was compared with its condition on June 30, 1890, at which time the net amount of gold in the Treasury was \$190,232,404, the people at once became aware of the fact that the Administration of President Harrison was the most unfortunate and disastrous of any in the history of the Government, and duly certified this conclusion at the polls in November following.

This memorial further represents that at the time the first coinage act of the United States was enacted 24 $\frac{3}{4}$ grains of fine gold was almost universally accepted in the several States as the dollar of account; that at that time the commercial ratio between silver and gold was nearly 15 to 1; that the Spanish milled dollars then current, and of the same date and weight, were not of the same intrinsic value, as they varied in the amount of pure silver they contained—some contained 28 grains more than others—therefore the Spanish milled dollar then current was not then, nor at any other time, made the monetary unit or dollar of account for the United States; that the value of the Spanish milled dollar, then current as legal tender for the payment of debts, was fixed by Congress at one dollar or unit.

The memorial further represents that the unit of value established by the law of 1792 was one-tenth of the amount of pure gold in the eagle, and was named dollar; that the eagle was the first coin the act authorized to be coined, and contained 247 $\frac{4}{8}$ grains of pure gold; that the amount of pure silver, when coined, that should be the equivalent in value of the unit, or dollar, was determined by multiplying the number

of grains (24.75) of pure gold in the unit, or dollar, by 15, the legal-tender ratio between silver and gold, which ratio was established in the eleventh section of the act; that by thus tying silver and gold together at a fixed ratio and making coins from both metals full legal tender, without legislation to protect the coins, was the sole cause of the failure of the coinage law of 1792, with the ratio at 15 to 1, and of the coinage law of 1834, with the ratio at 16 to 1, to keep coins from both metals continuously in circulation side by side as legal-tender money; that Alexander Hamilton clearly foresaw the results that followed the coinage of silver and gold at a fixed ratio into legal-tender coin. Therefore as gold was then as now a commodity, he should have urged attaching to silver alone the unit of value and use of the mint stamp for gold to designate its fineness and the weight of the metal contained by the coin, or to have asked for legislation to protect the circulation of coins from both metals.

This memorial further represents that at no time from 1793 to 1873, a period of eighty years, during all of which time the mints of the United States were open to the free and unlimited coinage of silver on individual account, did the commercial value of either metal fall below its coinage value; therefore the conclusion is irresistibly forced upon the minds of millions of citizens, among whom are thousands of the most eminent men of our day, that by again opening the mints to the free and unlimited coinage of silver and gold on individual account into full legal-tender coin the commercial value of silver would at once advance to its coinage value without in the least depreciating the commercial value of gold, which can be kept at a parity with silver, kept from going into hiding for speculative purposes, and kept from being exported to force the United States to silver monometallism by imposing upon it an export tax.

That by thus legislating to open the mints for the free coinage of silver on individual account the volume of redemption money in circulation would be annually increased, and a real era of unprecedented prosperity would be at once inaugurated, because based upon standard coin of the United States instead of upon a monthly increasing volume of sight drafts on the Treasury for gold, as was the case during the short period of balloon prosperity in 1892—during the unfortunate and disastrous Harrison Administration; that by opening the mints to the free and unlimited coinage of silver on individual account the people of the United States would be benefited to a greater extent than is possible by any other legislation upon the coinage question.

It further represents that as standard silver dollars are legal tender for all debts, public and private, except where otherwise expressly stipulated in the contract, the entire bonded debt of the United States is payable in silver dollars, at the option of the Government; that while it may possibly be national dishonor to pay the bonded debt in strict accordance with the law in force when the bonds were issued, there can be no doubt of the fact that it would be but little less than swindling the people to pay the bonds in gold because the intrinsic value of the silver in the standard silver dollar is less than one dollar solely because Congress has failed to enact "such safeguards of legislation as will insure the maintenance of the parity value of the two metals and the equal power of every dollar at all times in the markets and in the payment of debts," in accordance with the pledge of the Government distinctly and voluntarily made to the people in the law approved November 1, 1893, which pledge was but a renewal of the implied pledge of the same nature contained in the law of July 14, 1890.

It further represents that opening the mints to the free and unlimited coinage of silver on individual account would at once raise the intrinsic value of each standard silver dollar now in circulation and those held by the Government for the redemption of silver certificates, and also those coined and to be coined for the redemption of the coin certificates still outstanding, to their par value, and would add the seigniorage from the coinage of silver owned by the Government to the available cash in the Treasury, now so much needed to meet the enormous expenses of the Government authorized by the Fifty-fourth Congress, for the sole purpose, in the opinion of many, to create a deficit in the revenues of the Government to have a mere excuse for the enactment of a law imposing burdensome taxation on imports to restrict commerce, bankrupt manufacturers and merchants, and impoverish labor; to encourage perjury, bribery, and smuggling, and to corrupt the Government officials in order to carry out the unholy purpose of the tariff measure now on its passage in the Congress of the United States.

That this language is none too severe in condemnation of a bill levying duties on imports for the avowed purpose of excluding imports may be known by an examination of the figures in the following exhibit compiled from the report of Mr. Nebeker, Treasurer under the Administration of Mr. Harrison, and from a recent message to Congress by the "advance agent of prosperity," President McKinley.

The deficits under the McKinley tariff.

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|-------|--|----------------|
| 1891. | From Treasurer Nebeker's report in 1892: Expenditures over revenues in 1891, over..... | \$88, 000, 000 |
| 1892. | From Treasurer Nebeker's report in 1892: Expenditures over revenues in 1892, over..... | 27, 000, 000 |
| 1894. | From President McKinley's first message: Expenditures over revenues in 1894..... | 69, 803, 260 |
| | Expenditures in 1891, 1892, 1894, over revenues..... | 174, 803, 260 |
| 1893. | From President McKinley's first message: Revenues over expenditures in 1893..... | 2, 341, 674 |
| | Deficit in revenues for the four years..... | 172, 461, 586 |

In other words, the total receipts for the four fiscal years ending June 30, 1894, during all of which time the McKinley tariff was in force, were insufficient by \$172,461,586 to meet the total expenditures.

It further represents that the free and unlimited coinage of silver on individual account would annually so increase the volume of redemption money in circulation that it would destroy the power now possessed by the national banks to at any time so restrict the amount of currency in circulation as to create a stringency in the money market to intimidate capital and bring disaster to all industries, whenever, in the judgment of those who for years have enjoyed the monopoly privilege of issuing the paper currency, it is necessary in order to make political capital for the election of their chosen instruments, State and national, through whom they hope to perpetuate the monopoly they now possess: that the people have no objection to the use of national currency secured by the pledge of Government bonds; but your memorialists and those whom this memorial represents object to the further continuance in force of laws that permit only those who own Government bonds to put paper currency in circulation, which laws give to this very limited class of persons power to bankrupt individuals, to destroy values, to cause widespread ruin and disaster whenever it suits their selfish greed to enrich themselves at the expense of their unfortunate customers.

It further represents that the accumulation at Washington in the vaults of the Government of vast amounts of gold and silver for the redemption of certificates in circulation as currency is a menace to the peace of the country; that the time may come when the contents of the money vaults, if the present policy be continued, may be a hindrance to the settlement of international difficulties in which our country may be involved; that the issue of currency certificates was made necessary to meet the great demand for an immediate increase in the volume of money in circulation, which demand was created by the act of 1873 closing the mints against the free and unlimited coinage of silver.

Your memorialists therefore most respectfully request your honorable body to reduce the Government tax on State-bank circulation from 10 per cent to one-fourth of 1 per cent, to authorize State banks to issue paper currency supplied by the Government on deposit with the secretary of state of their respective States of securities of the character required to be taken by life-insurance companies as security for trust funds, providing always that all such banks shall be subject to Government control and inspection, and shall have a coin reserve equal to one-third of the amount of their outstanding circulation with which to redeem their currency on demand.

Your memorialists further request your honorable body to enact a law compelling the cancellation of gold certificates, silver certificates, and coin certificates when redeemed, and to hasten the redemption of such certificates to take from them, after a specified date, the legal-tender power they now possess.

Your memorialists further request your honorable body to enact a law for the cancellation of the \$346,681,016 of Treasury notes as redeemed, as such notes are now sight drafts on the Treasury for gold, and their existence as a forced loan without interest at this distant day from their issue made it possible, under the operation of the act of July 14, 1890, to force the Government to issue \$62,315,400 bonds, the interest on which, and that lost to the Government on the \$100,000,000 of reserve held for years for the redemption of these notes, which at 6 per cent would amount to more than \$115,000,000 to this date, makes this a very expensive currency to continue in circulation. Its cancellation would make the \$100,000,000 of reserve available for the purpose of paying the debts of the Government; and, in order that there shall be no further deficit in the revenues to meet the expenditures of the Government, to lower the duties imposed on imports by the tariff law now in force.

Your memorialists further request your honorable body to so amend the coinage laws as to permit the free and unlimited coinage of silver and of gold on individual account into full legal-tender money; that the visible representative of the unit of value—the dollar of account—may have the intrinsic value of one dollar at all times in the markets and for the payment of debts; to change the unit of value, or dollar, from 25.8 grains of standard gold to 412½ grains of standard silver; request your honorable body to enact a law providing for the coinage at the mints of the United States of four silver coins to be designated, respectively, dollar, half dollar, quarter dollar, and dime, to contain, respectively, of standard silver, 412½ grains, 206¼ grains, 103½ grains, and 41¼ grains; and of two gold coins, to be designated, respectively, ten dollars and twenty dollars, and to contain, respectively, of standard gold, 258 grains, and 516 grains, of which coins the one dollar, the ten dollar, and the twenty dollar, shall be legal tender at their nominal

value for all debts, public and private, and the fractional silver coins—the half dollar, quarter dollar, and dime—shall be legal tender at their nominal value to the amount of \$10 only, in payment of any public or private debt; and to secure the continuous circulation of such coins, side by side, as full legal-tender money, and to prevent either silver or gold monometallism, to impose an import tax for revenue only on foreign silver coin, bullion, and ores, and upon articles of commerce made in whole or in part from silver, and an export tax of 200 per cent, for revenue only, on gold coin, bullion, and ores, and upon articles of commerce made in whole or in part from gold, fully believing that the granting of the requests of this memorial would result in an annual increase of the amount of legal-tender money in circulation, every dollar of which increase would stand the fire test of soundness, bring the standard silver dollars at a parity with the gold coins, thus enabling those who earn dollars to save them without danger of their depreciation in value because the silver mines of the country can contribute a portion of their vast treasure to the general prosperity of the people, or danger of driving gold coin from circulation, forcing it into hiding for speculative purposes, or encouraging its exportation; that the United States can have true bimetallism at once without waiting for the consent or cooperation of any other nation; firmly believing that if the standard dollars of the United States are not good enough to settle foreign balances, that the American products that such dollars will pay for can be exchanged on advantageous terms in the open markets of the world for any commodity the world produces, and to encourage such exchanges, to increase the demand for the products of American farms, factories, and mines, to increase the demand for American labor and the compensation for such labor, to give to all industries and to labor true protection, that labor may have steady employment at remunerative wages, and its product unrestricted markets, we request your honorable body to lower the duties on imports, to at all times and in every way known under parliamentary rules to continuously oppose the passage of any bill that imposes a protective import duty—a restrictive duty—upon any article of commerce, as such duties are artificial barriers to commerce, erected by legislation to counteract the advantages secured to the people by means of ships, canals, railroads, telegraphs, telephones, bridges, good roads, paved streets, etc., all of which are but artificial means to overcome natural barriers—such as oceans, lakes, rivers, streams, swamps, mountains, hills, etc., and time and distance, obstacles to the easy exchange of commodities.

Your memorialists would further state that every person in transacting his own business desires as few restrictions as possible to prevent the exchange of the product of his labor for that of the labor of others—in other words is an absolute “free trader”—and as that which is best for the individual is also best for the nation, which is but an aggregation of individuals, the taxes on imports should be imposed for the sole purpose of raising revenue for the Government, the only purpose for which Congress is authorized to impose such taxes; that it is doubtful if anyone who has given thoughtful study to the subject of taxing imports and arrived at a conclusion in harmony with his conviction ever favored the imposing of duties on imports to restrict commerce. Certainly no one who has given the subject such study ever concluded that the foreign manufacturer pays the tax.

Your memorialists respectfully request that this memorial may have careful consideration by your honorable body, and that the request of your memorialists may be granted.

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